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C O N F I D E N T I A L SECTION 01 OF 02 ZAGREB 000383

SIPDIS

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TAGS: PGOV PREL HR

SUBJECT: EUR/SCE DIRECTOR HYLAND DISCUSSES REGIONAL

COOPERATION DURING VISIT TO CROATIA

Classified By: PolOfficer Peter D'Amico, for reasons 1.4(b) & (d).

11. (C) SUMMARY: During his June 12 meetings in Zagreb, EUR/SCE Director Jason Hyland discussed regional cooperation with interlocutors from the Croatian government, the South East Regional Cooperation Council, and the European Commission. Presidential Advisor Loncar expressed concern over negative trends in Bosnia and welcomed the Vice President's visit there as well as his tough message to Bosnian leaders. In a luncheon meeting, Neven Mikec, Chief of Staff to FM Jandrokovic, told Hyland that the GoC believed that Kosovo had to be on board for regional issues, but also wanted to avoid isolating Belgrade. Both Biscevic and MFA State Secretary Davor Bozinovic said that the EU should take a more active role in the region. Hidajet (Hido) Biscevic, Secretary General of the RCC, told Hyland on June 12 that the Annual Meeting of the RCC and the South East Europe Cooperation Process (SEECP) Summit that took place last week in Moldova were difficult, but did not expect similar problems with upcoming RCC meetings. Biscevic was hesitant to confront the Government of Serbia on this since he believed that Serbia was looking for a fight on Kosovo's participation in the SEECP to score domestic political points, especially since the allure of EU membership was fading in the region. END SUMMARY.

PRESIDENT'S ADVISOR PRAISES VISIT OF VP

12. (C) EUR/SCE Director Jason Hyland visited Zagreb June 11-14. In a June 12 meeting, Budimir Loncar, Foreign Policy Advisor to President Mesic welcomed greater U.S. engagement in the region, as highlighted by the visit of Vice President The U.S. role was particularly critical in Bosnia, where Loncar expressed doubts about the ability of the EU and High Representative Inzko to reverse the increasingly negative internal political trends. Noting his personal relationship with Serbian President Tadic, Loncar described him as a forward looking leader, who wanted to move Serbia on the path to Europe. However, Tadic had failed so far to face the reality of Kosovo, s independence. Asked about Tadic, s influence over Bosnian Serb leader Dodik, Loncar expressed doubt that Tadic could bring pressure to bear on Dodik to moderate his policies. Tadic, Loncar said, was no match for a leader of Dodik,s toughness and unscrupulousness. Macedonia, Loncar warned about the increasing danger that ethnic Albanian disaffection could lead to a threat to the country's stability.

RCC SECRETARY GENERAL ON MEETING IN MOLDOVA AND REGIONAL COOPERATION

13. (C) In a June 12 meeting with Hidajet (Hido) Biscevic, Secretary General of the Regional Cooperation Council (RCC), Biscevic acknowledged that the Annual Meeting of the RCC and the South East Europe Cooperation Process (SEECP) Summit that both took place last week in Moldova were tough, due to the unwillingness of the GoM to allow Kosovar officials to enter Moldova to participate in the meetings. Biscevic stated that

privately Moldovan officials told him they were afraid of Moscow's reaction if representatives from Kosovo came to the events. The GoM felt it had been delivered a warning two days before the meetings when Transnistria decided to make their flag the same as the Russian flag.

- 14. (C) Biscevic noted that with Turkey as the next Chairman in Office of SEECP, similar problems with Kosovo's participation in RCC events would not exist. Additionally, Montenegro following Turkey as the Chairman in Office was a good choice to attempt to avoid a repeat of what happened in Moldova, since Podgorica has recognized Kosovo but also has good relations with Serbia. Regarding the upcoming RCC meeting in September in Sarajevo, Biscevic believed that the practice of allowing Kosovo officials to use Kosovo travel documents, with visas and entry stamps on separate papers, should remain in place.
- 15. (C) Biscevic was pessimistic about the chances that Kosovo would be able to participate in the SEECP once UNMIK faded out, since Serbian President Tadic had publicly stated that Belgrade would never allow this to happen and SEECEP operated on a consensus basis. Biscevic was hesitant to confront the GoS on this since he believed that Serbia was looking for a fight on Kosovo's participation in the SEECP. Both Tadic and Serbian Foreign Minister Jeremic would rather score easy political points on Kosovo, because they felt there was not much to gain from the EU process at the moment. Hyland noted it was impossible to promote regional cooperation when all the countries in the region are not able to participate.
- 16. (C) Biscevic felt that the EU was not doing enough to ZAGREB 00000383 002 OF 002

strengthen those who supported Euro-Atlantic integration in the region. EU membership was so distant that it was not a powerful enough draw, especially when Croatia and Macedonia were being blocked by bilateral disputes. One sign of Brussels's lack of vision for the region was the plan of the European Commission to eliminate its one million euro contribution to the budget of the RCC. The EC was currently considering Biscevic's proposal to gradually reduce its contribution to allow governments to increase their contributions over time. While cautiously optimistic about the role the Swedes would play in the region as EU president, Biscevic noted that the EC had dumped cold water on the RCC's and Sweden's plans to hold a major conference in December on building infrastructure in the region. Biscevic believed that a focus on development was the best way for countries in the region to move beyond the current political stalemate, however, it was unclear where the money for such major infrastructure projects in the Southeastern Europe would come

MFA ON BORDER DISPUTE WITH SLOVENIA AND REGION

17. (C) At lunch on June 12 with MFA State Secretary Davor Bozinovic and MFA Chief of Staff Neven Mikec, Bozinovic also argued that the EU needed to do more in the region. By allowing bilateral issues, like the border dispute between Slovenia and Croatia, to block the EU accession process Brussels was sending a problematic message to the region. Bozinovic noted that the GoC was trying to avoid making provocative statements to keep people calm, but the longer the dispute festered the more of a chance there was for some sort of incendiary incident to take place in either country, particularly during the summer tourist season. He also expressed a continued willingness to address Slovenia,s claims that the papers Croatia submitted to the EU as part of the accession process contained documents prejudicial to the border case. Bozinovic said that the documents could be reviewed by EU lawyers and if they found any such documents then Croatia would withdraw them. Croatia could also issue a blanket statement that Slovenia,s acceptance of the Croatian EU accession documents would not be used to prejudice the eventual settlement of the border.

18. (C) Regarding Kosovo, Mikec told Hyland and the Ambassador that the GoC believed that Kosovo had to be included in regional events. Croatia wanted Kosovo to participate in regional organizations, but was seeking a way to do this that would not isolate Belgrade. Mikec believed that more consultation on this issue among countries that played a role in the region and that had recognized Kosovo's independence might be useful. Hyland praised Croatia for its very constructive and helpful policy toward Kosovo.

VIEW FROM EC DELEGATION TO ZAGREB ON ACCESSION PROCESS

¶9. (C) In a separate meeting on June 12, Martin Mayer, Political Advisor for the Delegation of the European Commission, told Hyland that even if there were not any issues blocking Croatia's EU accession process it was becoming increasing difficult for the Commission to finish Croatia's accession process by the target of the end of 2009. Mayer did note, however, that the frequently cited concern that the end of the current Commission's mandate in late 2009 would impose serious delays was overblown. Even if there was a change of EU Commissioner responsible for enlargement, Mayer felt it would not impact the Commission's work with Croatia, since the personnel on the technical level would remain the same. BRADTKE